

November 2, 2009

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street NE  
Washington, DC 20426

RE: *Southwest Power Pool, Inc.*, Docket No. ER10-\_\_\_\_\_  
Submission of Network Integration Transmission Service Agreements

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d, and section 35.13 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations, 18 C.F.R. § 35.13, Southwest Power Pool, Inc. ("SPP") submits: (1) an executed Service Agreement for Network Integration Transmission Service ("NITS") between SPP as Transmission Provider and Westar Energy, Inc. ("Westar") and Westar's subsidiary, Kansas Gas & Electric ("KG&E"), as Network Customer ("Revised Westar NITS"); and (2) an executed Network Operating Agreement ("NOA") between SPP as Transmission Provider and Westar as both Network Customer and Host Transmission Owner ("Revised Westar NOA") (the Revised Westar NITS and the Revised Westar NOA are collectively referred to hereinafter as the "Revised Westar Agreements" and SPP, Westar, and KG&E are collectively "the Parties"). The Revised Westar Agreements submitted in this filing modify the currently effective NITS and NOA that were accepted for filing by the Commission on September 24, 2009 in Docket No. ER09-1506-000.<sup>1</sup> SPP is submitting this filing because the Revised Westar Agreements include terms and conditions that do not conform to the *pro forma* NITS and NOA that are in SPP's Open Access Transmission Tariff ("SPP Tariff").<sup>2</sup>

#### **Description and Justification of Revisions to the Revised Westar Agreements**

The Revised Westar Agreements, which are attached to this filing as Exhibit I, are identical in all material respects to the NITS and NOA accepted by the Commission in

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<sup>1</sup> See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-1506-000 (Sept. 24, 2009) ("September Letter Order").

<sup>2</sup> See SPP Tariff at Attachment F ("*pro forma* NITS") and Attachment G ("*pro forma* NOA").

the September Letter Order except for the changes described below. These changes have been made with the Parties' consent and are necessary to facilitate Westar's request for transmission service.<sup>3</sup> As discussed below, the Revised Westar Agreements are being filed with the Commission because they contain modifications that do not conform to the *pro forma* NITS and *pro forma* NOA.<sup>4</sup> Therefore, the Revised Westar Agreements are not solely included in SPP's quarterly electronic filing of transmission service agreements pursuant to Order No. 2001.<sup>5</sup>

**A. Section 8.7 of Attachment 1 of the Revised Westar NITS**<sup>6</sup>

The Parties added language to Section 8.7 of Attachment 1 of the Revised Westar NITS that conforms to the *pro forma* Service Agreement and language that is non-conforming, as noted below. In Section 8.7 of Attachment 1 of the Revised Westar NITS, the Parties added language specifying that, for three new designated network resources, Westar will provide generation redispatch power in the specified amounts necessary to alleviate loading on facilities listed in Attachment A<sup>7</sup> to the Revised Westar

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<sup>3</sup> A clean copy of the Revised Westar Agreements is provided as Exhibit I, with redlined pages illustrating the differences between the Revised Westar Agreements and the agreements accepted by the Commission in the September Letter Order included as Exhibit II. There have been no changes to the Revised Westar NOA, and it is identical to the NOA accepted by the Commission in the September Letter Order.

<sup>4</sup> The Revised Westar Agreements also contain additional, conforming provisions, as discussed below.

<sup>5</sup> See *Revised Public Utility Filing Requirements*, Order No. 2001, 2001-2005 FERC Stats. & Regs., Regs. Preambles ¶ 31,127, *reh'g denied*, Order No. 2001-A, 100 FERC ¶ 61,074, *reconsideration and clarification denied*, Order No. 2001-B, 100 FERC ¶ 61,342, *enforcing*, Order No. 2001-C, 101 FERC ¶ 61,314 (2002), *enforcing*, Order No. 2001-D, 102 FERC ¶ 61,334, *order on clarification*, Order No. 2001-E, 105 FERC ¶ 61,352 (2003), *order on clarification*, Order No. 2001-F, 106 FERC ¶ 61,060 (2004), *order adopting EQR data dictionary*, Order No. 2001-G, 120 FERC ¶ 61,270, *order on reh'g and clarification*, Order No. 2001-H, 121 FERC ¶ 61,289 (2007), *order revising EQR data dictionary*, Order No. 2001-I, 125 FERC ¶ 61,103 (2008).

<sup>6</sup> In addition, several minor revisions have been made throughout the Revised Westar NITS to conform the Revised Westar NITS to the most current version of the *pro forma* NITS.

<sup>7</sup> The facilities for redispatch in the NITS accepted in the September Letter Order were listed in Table 1. In the Revised Westar NITS, Table 1 has been deleted and replaced with Attachment A. Attachment A of the Revised Westar NITS has been  
(continued . . .)

NITS. Redispatch will be provided prior to completion of certain service, reliability, and construction pending upgrades. Section 8.7 further specifies that Westar agrees to provide at least one of the potential redispatch pairs listed in Table 6 of the final posting of the aggregate transmission study denoted in a specific table, also included in Section 8.7. SPP agrees that such redispatch will satisfy Westar's redispatch obligation. The additional language is conforming because it is consistent with the SPP Tariff,<sup>8</sup> and the language is similar to language accepted by the Commission in the September Letter Order.<sup>9</sup>

In addition, non-conforming language has been added to Section 8.7 providing that SPP will curtail Westar's network service in the event Westar fails to comply with a SPP request for interim redispatch.<sup>10</sup> This language is consistent with the SPP Tariff and with Commission precedent. Section 30.5 of the SPP Tariff provides that a condition of the network customer taking service is that the network customer agrees "to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2 [of the SPP Tariff] and in accordance with Attachment K."<sup>11</sup> Therefore, by taking network service, Westar has agreed to redispatch network resources when called upon to do so by SPP. Further, Commission precedent allows a transmission provider to curtail service for a third-party resource if the third-party resource fails to perform its redispatch

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(... continued)

updated to reflect the redispatch required for transmission service under the Revised Westar Agreements.

<sup>8</sup> See SPP Tariff at Section 30.5 (providing that a condition of the network customer taking service is the network customer agrees "to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2 [of the SPP Tariff] and in accordance with Attachment K."); see also SPP Tariff at Attachment K, Section I.A ("To the extent the Transmission Provider can relieve any system constraint for Firm Point-To-Point or Network Integration Transmission Service by redispatching the generation resources of the Transmission Owner(s) or other willing generators, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 of this Tariff and this procedure.").

<sup>9</sup> See September Letter Order, *supra* note 1.

<sup>10</sup> See Revised Westar NITS at Attachment 1, Section 8.7. ("In the absence of implementation of interim redispatch as requested by the Transmission Provider for Network Customer transactions resulting in overloads on limiting facilities, the Transmission Provider shall curtail the customers schedule.").

<sup>11</sup> SPP Tariff at Section 30.5.

obligation.<sup>12</sup> Because the additional language is consistent with the SPP Tariff and Order No. 890, the Commission should accept the language in Section 8.7 of Attachment 1 of the Revised Westar NITS.

**B. Section 8.9 of Attachment 1 of the Revised Westar NITS**

Section 8.9 of Attachment 1 of the Revised Westar NITS includes additional language specifying that the transmission service requested by Westar from three specified designated network resources depends on and is contingent on completion of certain upgrades. These added provisions to Section 8.9 are conforming and consistent with Section 29.3 of the SPP Tariff, which provides that network transmission service may not commence until installation of all necessary equipment has been completed.<sup>13</sup> The additional language also details cost responsibility of the upgrades by indicating the upgrades that are fully base plan fundable, those that are partially base plan fundable,<sup>14</sup> and those upgrades the cost of which is not assigned to Westar. The costs of the upgrades are assigned in accordance with Section III.A of Attachment J of the SPP Tariff, and the inclusion of these costs is consistent with Attachment J of the SPP Tariff. Further, the additional language that details the allocation of the costs for the various upgrades as

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<sup>12</sup> Specifically, the Commission in Order No. 890 stated that “transmission providers may curtail transmission customers if a third-party resource fails to perform its contractual redispatch obligation. This or any other remedy for non-performance must be specified in writing between the parties prior to commencement of the service.” *See Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 2006-2007 FERC Stats. & Regs., Regs. Preambles ¶ 31,241, *order on reh’g*, Order No. 890-A, 2006-2007 FERC Stats. & Regs., Regs. Preambles ¶ 31,261 (2007), *order on reh’g and clarification*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh’g and clarification*, Order No. 890-C, 126 FERC ¶ 61,228 (2009).

<sup>13</sup> *See* SPP Tariff at Section 29.3; *see also Sw. Power Pool, Inc.*, 118 FERC ¶ 61,148, at P 40 (2007) (describing how SPP Tariff Section 29.3 “states that network service ‘shall not commence until the [transmission provider has] completed installation of all equipment.’”).

<sup>14</sup> Attachment J, Section III.A.4 of the SPP Tariff specifies the cost allocation for upgrades associated with new designated resources that are both: 1) wind generation plants; and 2) that are located within a zone other than the transmission customer’s point of delivery. For designated resources meeting the aforementioned criteria, a percentage of the costs for upgrades will be base plan funded, while the remaining percentage will be directly assigned to the transmission customer.

either fully base plan fundable or partially base plan fundable is consistent with similar provisions previously accepted by the Commission for other SPP Service Agreements.<sup>15</sup>

In addition, Section 8.9(B) of Attachment 1 of the Revised Westar NITS specifies that, upon completion of the construction of the upgrades discussed above, the funding of the costs of the upgrades will be reconciled and trued-up against actual construction costs and any additional funding or refunds shall be made between SPP and Westar. The Commission previously has accepted similar language in Service Agreements submitted by SPP.<sup>16</sup> Finally, Section 8.9(C) of Attachment 1 of the Revised Westar NITS provides that Westar will be responsible for paying all charges specified as its obligation for the specified term for each assigned upgrade.<sup>17</sup> The Commission previously has accepted similar language in Service Agreements submitted by SPP.<sup>18</sup>

The modifications, including the non-conforming provisions, in the Revised Westar NITS clarify how SPP will provide network service to Westar, and are necessary because of the unique circumstances of Westar's service request.<sup>19</sup> As such, this filing is consistent with the public interests and warrants approval by the Commission. SPP is serving a copy of this filing on the representatives for Westar and KG&E listing in the Revised Westar Agreements.

#### **Effective Date and Waiver**

SPP requests an effective date of October 1, 2009 for the Revised Westar Agreements. Pursuant to section 35.11 of the Commission's rules and regulations, 18

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<sup>15</sup> See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-439-000 (Feb. 12, 2009) (errata issued Feb. 13, 2009) ("February 2009 Letter Order"); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER07-1201-001 (Dec. 18, 2007).

<sup>16</sup> See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-1380-000 (Aug. 17, 2009).

<sup>17</sup> See Revised Westar NITS at Attachment 1, Section 8.9(C).

<sup>18</sup> See February 2009 Letter Order, *supra* note 15.

<sup>19</sup> Section 8.8 of Attachment 1 of the Westar NITS was updated to delete the specific Wholesale Distribution Service Charge and specify that the cost support and monthly charges for Wholesale Distribution Service will be detailed in Appendix 4. The inclusion of cost support and monthly charges for Wholesale Distribution Service Charges is consistent with Schedule 10 of the SPP Tariff which requires all rates and charges for Wholesale Distribution Charges to be filed with the Commission. Appendices 1-3 have also been updated to reflect new network resources, receipt points, and delivery points, respectively.

C.F.R. § 35.11, SPP requests a waiver of the Commission's 60-day notice requirement set forth at 18 C.F.R. § 35.3. Waiver is appropriate because the Revised Westar Agreements are being filed no later than 30 days after the commencement of service.<sup>20</sup>

**Additional Information**

**A. Information Required by Section 35.13 of the Commission's Regulations, 18 C.F.R. § 35.13:**

**(1) Documents submitted with this filing:**

In addition to this transmittal letter, SPP is submitting the following:

(a) Exhibit I: Clean copy of the Revised Westar Agreements; and

(b) Exhibit II: Redlined copy of the Revised Westar Agreement versus the agreements accepted by the Commission in the September Letter Order.

**(2) Effective Date:**

As discussed herein, SPP respectfully requests that the Commission accept the Revised Westar Agreements with an effective date of October 1, 2009.

**(3) Service:**

SPP is serving a copy of this filing on the representatives for Westar and KG&E listed in the Revised Westar Agreements.

**(4) Basis of Rate:**

All charges will be determined in accordance with SPP's Tariff.

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<sup>20</sup> See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84, *order on reh'g*, 65 FERC ¶ 61,081 (1993).

**B. Communications:**

Copies of this filing have been served upon all Parties to the Revised Westar Agreements. Any correspondence regarding this matter should be directed to:

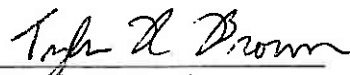
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**Conclusion**

For all the foregoing reasons, SPP respectfully requests that the Commission accept the Revised Westar Agreements with an effective date of October 1, 2009.

Respectfully submitted,

  
Wendy N. Reed  
Matthew K. Segers  
Tyler R. Brown

**Attorneys for Southwest Power  
Pool, Inc.**

# EXHIBIT I



## ATTACHMENT F

### Service Agreement For Network Integration Transmission Service

This Network Integration Service Agreement ("Service Agreement") is entered into this 30<sup>th</sup> day of October, 2008, by and between Westar Energy, Inc. and their subsidiary, Kansas Gas & Electric ("Network Customer"), and Southwest Power Pool, Inc. ("Transmission Provider"). The Network Customer and Transmission Provider shall be referred to individually as "Party" and collectively as "Parties."

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider's Open Access Transmission Tariff ("Tariff") filed with the Federal Energy Regulatory Commission ("Commission") as it may from time to time be amended;

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners within the Southwest Power Pool and acts as agent for the Transmission Owners in providing service under the Tariff; and

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff;

Whereas, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

- 1.0 The Transmission Provider agrees during the term of this Service Agreement, as it may be amended from time to time, to provide Network Integration Transmission Service in accordance with the Tariff to enable delivery of power and energy from the Network Customer's Network Resources that the Network Customer has committed to meet its load.
- 2.0 The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I, III and V of the Tariff and this Service Agreement with attached Specifications.
- 3.0 The terms and conditions of such Network Integration Transmission Service shall be governed by the Tariff, as in effect at the time this Service Agreement is executed by the Network Customer, or as the Tariff is thereafter amended or by its successor tariff, if any. The Tariff as it currently exists, or as it is hereafter amended is incorporated in this Service Agreement by reference. In the case of any conflict between this Service Agreement and the Tariff, the Tariff shall control. The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff. The completed specifications are based on the information provided in the Completed Application and are incorporated herein and made a part hereof as Attachment 1.
- 4.0 Service under this Service Agreement shall commence on such date as it is permitted to become effective by the Commission. This Service Agreement shall be effective through January 1, 2013. Thereafter, it will continue from year to year unless terminated by the Network Customer or the Transmission Provider by giving the other one-year advance written notice or by the mutual written consent of the Transmission Provider and Network Customer. Upon termination, the Network Customer remains responsible for any outstanding charges including all costs incurred and apportioned or assigned to the Network Customer under this Service Agreement.

5.0 The Transmission Provider and Network Customer have executed a Network Operating Agreement as required by the Tariff.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one Party or the other.

Southwest Power Pool:

Carl Monroe  
Executive Vice President and Chief Operating Officer  
415 N. McKinley, 140 Plaza West  
Little Rock, AR 72205

Network Customer:

John Olsen  
Executive Director, Power Marketing  
818 S. Kansas Avenue  
Topeka, Kansas 66612

7.0 This Service Agreement shall not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. However, either Party may, without the need for consent from the other, transfer or assign this Service Agreement to any person succeeding to all or substantially all of the assets of such Party. However, the assignee shall be bound by the terms and conditions of this Service Agreement.

8.0 Nothing contained herein shall be construed as affecting in any way the Transmission Provider's or a Transmission Owner's right to unilaterally make application to the Federal Energy Regulatory Commission, or other regulatory agency having jurisdiction, for any change in the Tariff or this Service Agreement under Section 205 of the Federal Power Act, or other applicable statute, and any rules and regulations promulgated thereunder; or the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.

9.0 By signing below, the Network Customer verifies that all information submitted to the Transmission Provider to provide service under the Tariff is complete, valid and accurate, and the Transmission Provider may rely upon such information to fulfill its responsibilities under the Tariff.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

TRANSMISSION PROVIDER

Name



Title

EVP + COO

Date

10/29/09

NETWORK CUSTOMER

Name



Title

ED / BPM

Date

10/28/09

APPROVED  
TK  
BY

**ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE  
AGREEMENT  
BETWEEN SOUTHWEST POWER POOL AND WESTAR ENERGY  
SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE**

**1.0 Network Resources**

The Network Resources are listed in Appendix 1.

**2.0 Network Loads**

The Network Load consists of the bundled native load or its equivalent for Network Customer load in the Westar Energy Control Area as defined in Appendix 3.

The Network Customer's Network Load shall be measured on an hourly integrated basis, by suitable metering equipment located at each connection and delivery point, and each generating facility and at each wholesale customer's interconnection point on Host Transmission Owner's transmission system. For billing purposes, the amount of retail load will be defined as the amount of load connected to the Host Transmission Owner's transmission system, less all load referenced in Appendix 3 of this Service Agreement. Such loads shall be adjusted to system input for transmission and distribution losses. For a Network Customer providing retail electric service pursuant to a state retail access program, profiled demand data, based upon revenue quality non-IDR meters may be substituted for hourly integrated demand data. Measurements taken and all metering equipment shall be in accordance with the Transmission Provider's standards and practices for similarly determining the Transmission Provider's load. The actual hourly network Loads, by delivery point, internal generation site and point where power may flow to and from the Network Customer, with separate readings for each direction of flow, shall be provided.

**3.0 Affected Control Areas and Intervening Systems Providing Transmission Service**

The affected control area is the Westar Energy's control area. The intervening systems providing transmission service are none.

**4.0 Electrical Location of Initial Sources**

See Appendix 1

**5.0 Electrical Location of the Ultimate Loads**

The loads of Network Customer identified in Section 2.0 hereof as the Network Load are electrically located within the Westar Energy's Control Area.

**6.0 Delivery Points**

The delivery points are the interconnections points of Westar Energy identified in Section 2.0 as the Network Load.

**7.0 Receipt Points**

The Points of Receipt are listed in Appendix 2.

**8.0 Compensation**

Service under this Service Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.

**8.1 Transmission Charge**

Monthly Demand Charge per Section 34 and Part V of the Tariff.

**8.2 System Impact and/or Facility Study Charge**

Studies may be required in the future to assess the need for system reinforcements in light of the ten-year forecast data provided. Future charges, if required, shall be in accordance with Section 32 of the Tariff.

**8.3 Direct Assignment Facilities Charge**

**8.4 Ancillary Service Charges**

8.4.1 The following Ancillary Services are required under this Service Agreement.

- a) Scheduling and Tariff Administration Service per Schedule 1A of the Tariff.
- b) Scheduling, System Control and Dispatch Service per

Schedule 1 of the Tariff.

- c) Reactive Supply and Voltage Control from Generation Sources Service per Schedule 2 of the Tariff.
- d) Regulation and Frequency Response Service per Schedule 3 of the Tariff.
- e) Energy Imbalance Service per Schedule 4 of the Tariff.
- f) Operating Reserve - Spinning Reserve Service per Schedule 5 of the Tariff.
- g) Operating Reserve - Supplemental Reserve Service per Schedule 6 of the Tariff.

The Ancillary Services will be self-supplied by The Network Customer in accordance with Sections 8.4.2 through 8.4.4, with the exception of the Ancillary Services for Schedules 1 and 2.

8.4.2 With its annual forecasts, the Network Customer shall indicate its source for Ancillary Services in accordance with the Tariff to be in effect for the upcoming calendar year. If the Network Customer fails to include this information with its annual forecasts, Ancillary Services will be provided for and charged in accordance with the Tariff.

8.4.3 When the Network Customer elects to self provide Ancillary Services and is unable to provide its own Ancillary Services, the Network Customer will pay the Transmission Provider for such services and associated penalties in accordance with the Tariff as a result of the failure of the Network Customer's alternate sources for required Ancillary Services.

8.4.4 All costs for the Network Customer to supply its own Ancillary Services shall be the responsibility of the Network Customer.

## **8.5 Real Power Losses**

The Network Customer shall replace losses in accordance with Attachment M of the Tariff.